

## Statement of the Statutory Manager First quarter of financial year 2021-2022

EPRA earnings up by 15%  
Value of the portfolio holds steady

### OPERATING RESULTS

- **EPRA Earnings** €8.2 million, up 14.7% from €7.1 million at 31/12/2020
- **Net result** €11.7 million, up by 95.5% from €6.0 million at 31/12/2020

### EARNINGS PER SHARE

- **EPRA Earnings:** €1.24 per share, compared with €1.08 per share at 31/12/2020
- **EPRA NTA:** €58.75 per share, compared with €57.37 per share at 30/09/2021

### INVESTMENT PROPERTY PORTFOLIO

- **Fair value:** €715.2 million compared with €713.6 million at 30/09/2021
- **EPRA occupancy rate:** 96.1% compared with 96.0% at 30/09/2021

### FINANCIAL STRUCTURE

- **Debt ratio**<sup>1</sup>: 46.2% compared with 47.6% at 30/09/2021

<sup>1</sup> Debt ratio calculated in accordance with the Royal Decree of 28 April 2018 on Regulated Real Estate Companies.

## Summary of activity

The past quarter did not see a period of business closures due to the pandemic or overly severe measures requiring financial interventions from landlords as had been the case in the first quarter of the 2020/2021 financial year. Business could therefore be conducted more or less normally, with only a few restrictions in terms of concentrations of people that were temporarily applied.

In this context, Ascencio experienced dynamic rental activity, further confirming retailers' attraction to out-of-town sites:

- in the Belgian portfolio, the arrival of new tenants in Hannut and Gerpinnes and departures in Ghlin and Uccle;
- the arrival of tenants in the French portfolio allowing it to reach a 100% occupancy rate;
- discussions with several potential candidates for the vacant space in the Valencia building in Spain, giving rise to the expectation that a lease agreement will be concluded in the short to medium term for this space.

In terms of investment, Ascencio completed its program to redevelop the façades of its Messancy retail park. This investment, amounting to around €1 million, aims to give the building a more modern appearance and to increase the visibility of the brands housed there from the main roads leading to the site. In addition, Ascencio has begun work on the car park of this retail park to install fast charging stations for electric vehicles, which will allow visitors to the park to charge their vehicles while they shop.

Ascencio also finalised the sale of its building in Sint-Niklaas for €1.5 million, for which a sales agreement had been signed in the course of the financial year 2020/2021. This transaction had a small negative impact on results for the past quarter.

On the financial side, Ascencio entered into a new credit agreement for an amount of €10 million, allowing the Company to further strengthen its financing structure and provide additional liquidity to fund its activities.

## Consolidated results for the first quarter of financial year 2021/2022

CONSOLIDATED RESULTS (€000s)	31/12/2021	31/12/2020
<b>RENTAL INCOME</b>	<b>11,692</b>	<b>11,595</b>
Rental related charges	172	-886
Taxes and charges not recovered	-32	6
<b>PROPERTY RESULT</b>	<b>11,831</b>	<b>10,715</b>
Property charges	-833	-837
Corporate overheads	-1,085	-1,021
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>9,913</b>	<b>8,857</b>
<i>Operating margin</i>	<b>84.8%</b>	<b>76.4%</b>
Net interest charges	-1,447	-1,459
Other financial charges	-121	-104
Taxes	-173	-170
<b>EPRA EARNINGS</b>	<b>8,171</b>	<b>7,124</b>
Net gains and losses on disposals of investment properties	-159	0
Change in the fair value of investment properties	999	-1,337
<b>Portfolio result</b>	<b>840</b>	<b>-1,337</b>
Change in fair value of financial assets and liabilities	2,682	151
Deferred tax & tax on profit on disposals	1	44
<b>NET RESULT</b>	<b>11,695</b>	<b>5,982</b>
<b>EPRA Earnings per share (euros)</b>	<b>1.24</b>	<b>1.08</b>
<b>Earnings per share (euros)</b>	<b>1.77</b>	<b>0.91</b>
<b>Number of shares</b>	<b>6,595,985</b>	<b>6,595,985</b>

Property result increased by 10.4% compared with the first quarter of the previous financial year, from €10.7 million at 31/12/2020 to €11.8 million at 31/12/2021.

This increase was mainly attributable to a slight increase in rental income (+0.8%) as well as the absence in the past quarter of rent reductions related to the COVID pandemic, in contrast to the reductions that had been granted for the mandatory closure periods in the first quarter of financial year 2020/2021 (€0.9 million).

Property charges and Corporate overheads remained largely stable compared with the previous financial year, illustrating the attention that Ascencio pays to controlling its costs in the current economic context.

The financial result also remained stable relative to the previous financial year.

In terms of financial costs, this evolution is explained by the relative stability of average debt (€333 million at 31/12/2021 compared with €326 million at 31/12/2020) and of the average cost of financing (1.82% at 31/12/2021 compared with 1.87% at 31/12/2020) in the periods considered.

Taking into account these evolutions and after deducting the tax charges on the French and Spanish assets, EPRA earnings were €8.2 million at 31/12/2021, up by 14.7% compared with the €7.1 million generated at 31/12/2020. This means that EPRA earnings per share rose to €1.24, compared with €1.08 in the first quarter of the previous year.

In terms of the revaluation of its property portfolio, the Company saw continued upward movement in its property values in the past quarter, a trend that had already been observed in the last quarters of the 2020/2021 financial year. Property values thus increased by €1 million (+0.1%), compared with a decrease of €1.3 million at 31/12/2020 (-0.2%).

Finally, due to the significant rise in interest rates that started a few weeks ago, the value of the portfolio of financial hedging instruments increased sharply during the quarter (+€2.7 million), compared with the stability of its value during the first quarter of the previous year (+€0.2 million). It should be noted that the Company's hedging ratio at 31/12/2021 was 87.1%, this high ratio allowing the Company to reduce the volatility of its financial charges and thus limit the negative impact of a significant rise in interest rates on its results.

Taking all these elements into account, the Company's net result amounted to €11.7 million, a significant increase compared with the €6.0 million generated in the quarter to 31/12/2020. Earnings per share amounted to €1.77 compared with €0.91 for the quarter ended 31/12/2020.

## Consolidated balance sheet at 31 December 2021

CONSOLIDATED BALANCE SHEET (€000s)	31/12/2021	30/09/2021
<b>ASSETS</b>	<b>724,935</b>	<b>728,076</b>
Investment properties	715,211	713,601
Other non-current assets	1,709	1,400
Assets held for sale	0	1,360
Trade receivables	2,031	5,773
Cash and cash equivalents	3,642	3,707
Other current assets	2,343	2,236
<b>EQUITY AND LIABILITIES</b>	<b>724,935</b>	<b>728,076</b>
Equity	382,155	370,353
Non-current financial debts	249,163	278,822
Other non-current liabilities	7,749	10,275
Deferred tax	1,273	1,275
Current financial debts	75,856	55,060
Other current liabilities	8,738	12,291

The value of the investment property portfolio at 31/12/2021 was €715.2 million, slightly higher than the value at 30/09/2021. During the past quarter, this portfolio evolved as follows:

(€000s)	31/12/2021	30/09/2021
<b>BALANCE AT BEGINNING OF THE PERIOD</b>	<b>713,601</b>	<b>694,342</b>
Investments	590	3,476
Acquisitions	0	6,382
Transfer from other tangible assets	0	926
Transfer to assets held for sale	0	-1,360
Change in fair value	999	9,835
Development projects	21	0
<b>BALANCE AT THE END OF THE PERIOD</b>	<b>715,211</b>	<b>713,601</b>

In addition to the above-mentioned increase in value of €1 million, the Company's real estate portfolio was affected by the €0.6 million of investments made, mainly to complete the redevelopment of the Messancy retail park façades.

As previously mentioned, the sale of the Sint-Niklaas building was completed during the past quarter, resulting in its removal from the Company's balance sheet.

The Company's equity increased from €370.4 million at 30/09/2021 to €382.2 million at 31/12/2021. At 31/12/2021, the IFRS intrinsic value per share was €57.94, while the EPRA NTA per share stood at €58.75 (as against €56.15 and €57.37 respectively at 30/09/2021). It should be noted that these intrinsic values still include the dividend for the financial year 2020/2021, which amounts to €3.70 gross per share and distribution of which was approved by the ordinary general meeting of 31/01/2022 and effectively carried out on 09/02/2022.

Finally, total financial liabilities (current and non-current) amounted to €325.0 million at 31/12/2021 as against €333.9 million at 30/09/2021.

In addition, the Company concluded a term loan for an amount of €10 million, which further strengthens its financial structure. Taking this loan into account, the Company has €100 million of available credit lines (i) to cover its outstanding commercial paper issues (€47.8 million), (ii) to allow for the distribution of the dividend for the financial year 2020/2021 (€24.4 million), and (iii) to provide a reserve for financing operational activities and possible growth transactions.

At 31/12/2021, the Company's debt ratio was 46.2%, down from 47.6% at 30/09/2021.

## Outlook

Since the start of the pandemic almost 2 years ago, out-of-town retail has demonstrated its resilience. Indeed, retail parks are experiencing intense activity and supermarkets have outperformed in this period of crisis.

The increased interest in retail parks is mainly due to the following reasons:

- this type of asset requires less redevelopment than city centre sites or shopping centres;
- retail parks are less exposed to the cannibalism of e-commerce and are even better suited to the development of omnichannel thanks to the retail mix, lower rents per square metre and out-of-town locations easily accessible by car;
- they are less affected by working from home so the absence of workers from their offices has a lesser impact. On the contrary, the presence of workers at home in the region has had a positive impact on their performance.

In an economic context of high inflation and upward pressure on interest rates, Ascencio, thanks to the indexation of its revenues and its high hedging ratio which largely protects it against these rising rates, appears well positioned to pursue its policy of optimising its results.

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### **About Ascencio :**

Active in Belgium, France and Spain, Ascencio is a Société Immobilière Réglementée Publique (Public Regulated Property Company or "Belgian REIT") specialising in investment in commercial premises located out-of-town.

Ascencio is characterised by its hybrid portfolio, consisting mainly of supermarkets and retail parks.

Listed on Euronext Brussels since 2007, Ascencio pursues a coherent policy aimed at optimising its results over time and ensuring stable profits for all its shareholders.